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DEPT FOR EUR/SCE - BALIAN; PM - DAS COULTER, ROSATI;
PM/PPA - O'KEEFE, KWAK, AHERN; L-PM - COFFEE

E.O. 12958: N/A

TAGS: MASS PREL KTIA MARR HR

SUBJECT: SECTION 1206: CROATIA AGREES TO END-USE, SECURITY AND
RETRANSFER ASSURANCES

REF: STATE 102188

¶1. MFA has delivered a Diplomatic Note dated August 2 confirming the GoC's decision to accept proposed assurances related to the end-use, security and retransfer of USG-supplied defense articles, training and services pursuant to Section 1206 of the National Defense Authorization Act. Post will provide copies to PM-Rosati for agreement verification. Full text of diplomatic note follows.

¶2. BEGIN DIPLOMATIC NOTE TEXT:

No. 4027/07

The Ministry of Foreign Affairs and European Integration of the Republic of Croatia presents its compliments to the Embassy of the United States of America in Zagreb and acknowledges receipt of the Embassy's Note no 38, dated July 24, 2007, which refers to earlier discussions between representatives of the two governments regarding the provision of defense articles, related training, and other defense services on a grant basis pursuant to the Foreign Assistance Act of 1961, as amended, or successor legislation, and the furnishing of defense articles, related training, and other defense services from the United States of America to the Government of the Republic of Croatia.

In accordance with these discussions, it is proposed that the Government of the Republic of Croatia agree:

¶A. That unless the consent of the Government of the United States of America has been first obtained the Government of the Republic of Croatia shall not:

(I) Permit any use of such defense articles, related training, including training materials, or other defense services by anyone not an officer, employee or agent of the Government of the Republic of Croatia;

(II) Transfer, or permit any officer, employee or agent of the Government of the Republic of Croatia to transfer, such defense articles, related training, including training materials, or other defense services by gift, sale or otherwise; or

(III) Use, or permit the use of, such defense articles, related training, including training materials, or other defense services for purposes other than those for which provided;

¶B. That such defense articles, related training, including training materials, or other defense services shall be returned to the Government of the United States of America when they are no longer needed for the purposes for which they were furnished, unless the Government of the United States of America consents to another disposition;

¶C. That the net proceeds of sale received by the Government of the Republic of Croatia in disposing of, with prior written consent of the Government of the United States of America, any defense article

furnished by the Government of the United States of America on a grant basis, including scrap from any such defense article, shall be paid to the Government of the United States of America;

1D. That the Government of the Republic of Croatia shall maintain the security of such defense articles, related training, including training materials, and other defense services; that it shall provide substantially the same degree of security protection afforded to such defense articles, related training, including training materials, or other defense services by the Government of the United States of America; that it shall, as the Government of the United States of America may require, permit continuous observation and review by, and furnish necessary information to, representatives of the Government of the United States of America with regard to the use thereof by the Government of the Republic of Croatia; and

1E. That the Government of the United States of America may also, from time to time, make the provision of articles and services furnished under other authority (except the United States Arms Export Control Act) subject to the terms and conditions of the agreement proposed herein. (Transfers under the United States Arms Export Control Act shall continue to be governed by the requirements of that Act and United States regulations applicable to such transfers.)

The Ministry of Foreign Affairs of the Government of the Republic of Croatia has the honor to confirm that the proposals set forth are accepted by the Government of the Republic of Croatia at its session on August 2, 2007. The note no. 38 of the Embassy of the United States of America in Zagreb and this note shall constitute an Agreement between the two Governments which shall enter into force on this date.

The Ministry of Foreign Affairs of the Republic of Croatia avails itself of this opportunity to renew the Embassy of the United States of America in Zagreb the assurances of its highest consideration.

Zagreb, August 2, 2007
END TEXT.

BRADTKE